

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi_Misc_pt188

➤ Record of Comm. Proceedings ... RCP

➤ **

F.Y.I.

This is the testimony from
J.F. Finance Public hearing
in Madison 4/16/97.



DANE COUNTY

Kathleen M. Falk
County Executive

April 16, 1997

Senator Brian Burke, Co-Chair
P.O. Box 7882
Madison, WI 53707

Dear Senator Burke:

The partnership between the State of Wisconsin and its counties is vitally important for our citizens. Working together, we strive to provide necessary services to thousands of Wisconsin citizens every day.

As you consider the Governor's proposed budget bill, I respectfully ask you to consider five key issues facing county government:

Community Aids: The state's decision to pass federal social service block grant cuts through to counties by reducing Community Aids will mean a 9% reduction from last biennium's Community Aids allocation. In addition, the use of federal welfare (TANF) funds to supplant state GPR contributions to Community Aids will lead to a heavier reliance on federal funds at a time when federal funds are decreasing. I believe the state must continue to honor its financial commitment to counties for social services. I urge the legislature to appropriate \$15.5 million over the biennium in state funds to replace reduced federal funds. I also request that \$9.3 million per year in GPR funds be reallocated to Community Aids (a 3% increase) to allow counties operating their own child protective service systems to approach the child protective service caseload goals the state has established in Milwaukee County, where it will be taking over the county child welfare system.

Welfare: I am strongly committed to ensuring that W-2 will work well in Dane County. As counties are now in the process of negotiating W-2 contracts with the state, we must be assured that adequate funds are available. Compared to the W-2 RFP issued by the state last fall, the proposed budget increases W-2 benefits and expands childcare eligibility. While Dane County supports both of these policy changes, the budget does not provide enough additional funds to pay for these increased costs. Also, administrative funding is reduced 19% from RFP levels. There are sufficient TANF funds available to cover these costs, but they are being used to solve other budget problems. Counties can't make W-2 a success unless the state provides adequate funding and stops changing the rules. In addition, TANF funds should be used to address the needs of elderly and disabled legal immigrants who will lose their cash SSI benefits this July.

Youth Aids: Youth Aids funding is frozen for the biennium. Unfortunately, state institutional rates charged to counties are increased by 13%. This will cost Dane County about \$750,000 in the next two years. The link between state funding and state rates, severed last biennium, should be restored. Moreover, Youth Aids funds for counties were reduced last session by about 10% because the state assumed the costs of the most serious juvenile offenders. As it turns out, judges are referring these offenders to county programs and not state institutions; therefore, state costs for the Serious Juvenile Offender Program are \$13 million less than anticipated for the biennium. These "savings" should be redirected back to counties which are still paying the costs for these juveniles. Added funding for Youth Aids should come from the excessive budget increases for adult corrections.


Community Options Program: Dane County has a COP waiting list of 1100; there are about 8000 older adults and adults with disabilities on waiting lists statewide. I believe the COP program should be expanded beyond the levels proposed in the budget. This can be accomplished over time with the restoration of the language of 1993 Act 469, which automatically reallocated reductions in nursing home costs attributable to COP back to the COP program. In addition, limiting nursing home rate increases to inflation would free up more resources for the COP program.

Transportation: The only significant increase for counties in the DOT budget is for state highway maintenance---the contract program for counties to fix state highways. There is no new money to fix county roads, which also benefit the state's economy. State aid for local transportation aids has been slipping for some time; the state share of county road maintenance has dropped from 31% to 26% in the last eight years. And yet the budget adds six new state highway projects (costing \$330 million) to a already long list of projects. I respectfully urge the legislature to shift funds away from the construction of new state highways to allow for increased aid to counties, cities, villages and towns.

I understand that the Joint Finance Committee must balance many competing needs. I also understand that school property tax relief and public safety are high priorities. But is it fair to shift additional burdens to counties and other local governments? In addition to the problems cited above, counties face a two-year freeze in shared revenue, court funding and probation/parole funding. Under this proposed budget, Dane County will experience state aid reductions of \$2.5 to \$4 million from current levels. Our experience is not unique. Every other county will face losses in state aid. We need your help.

Thank you for your consideration of these issues.

Sincerely,


Kathleen Falk
Dane County Executive



Bringing lifetimes of experience and leadership to serve all generations.

WISCONSIN STATE LEGISLATIVE COMMITTEE

CHAIR
Mrs. Estelle Z. Katz
220 W. Cherokee Circle
Milwaukee, WI 53217-2718
(414) 352-7281

VICE CHAIR
Mr. Ramus B.A. Kaines
520 Waukesha Road
Eagle, WI 53119
(414) 594-3388

SECRETARY
Mr. Roy Melvin
N6895 Sugarbush Drive
Glenbeulah, WI 53023-1141
(414) 526-3619

COORDINATOR
Capital City Task Force
Mr. Herman Holtzman
2502 Waunona Way
Madison, WI 53713-1523
(608) 222-6979

April 16, 1997

TO: Committee on Joint Finance

I am Herman Holtzman, Coordinator of The Capital City Task Force for the State Legislative Committee of AARP. AARP has over 680,000 members state-wide. Through our chapters and the State Legislative committee, we have developed priorities and recommendations for legislation.

In the area of Health and Long Term Care, we support legislation for the proposed Comprehensive Coordinated Long Term Care System sponsored by the Coalition of Wisconsin Aging Groups and continued efforts to increase the availability and quality of community care through the present Community Options Program.

In the area of Children and Families, we seek to insure that implementation of Wisconsin Works (W-2) accommodates quality of life and basic survival components.

In the area of Environment, we seek to protect the environment from potential damage caused by unproven and new technologies related to sulfide mining.

In the area of Transportation, we support balanced transportation, including alternatives to new highway construction and automobiles including:

1. Maintaining the existing highway systems.
2. Increasing the inter city bus and train network.
3. Expanding assisted transportation programs that serve the elderly and disabled.

Attached are additional details on these subjects.



Bringing lifetimes of experience and leadership to serve all generations.

WISCONSIN STATE LEGISLATIVE COMMITTEE

CHAIR

Mrs. Estelle Z. Katz
220 W. Cherokee Circle
Milwaukee, WI 53217-2718
(414) 352-7281

VICE CHAIR

Mr. Ramus B.A. Kaines
520 Waukesha Road
Eagle, WI 53119
(414) 594-3388

SECRETARY

Mr. Roy Melvin
N6895 Sugarbush Drive
Glenbeulah, WI 53023-1141
(414) 526-3619

COORDINATOR

Capital City Task Force
Mr. Herman Holtzman
2502 Waunona Way
Madison, WI 53713-1523
(608) 222-6979

I am David Slautterback. I represent the American Association of Retired Persons as Chairman of our State Legislative Committee's Subcommittee on Health and Long Term Care.

We are pleased with some features of the Governor's budget. For example, the ombudsmen FTE's for the Board on Aging and Long Term Care which the Governor vetoed last year, have been restored. Nonetheless, we are very concerned with what we perceive as a gross imbalance in the distribution of budgeted funds between nursing homes and community and home care. You have heard repeatedly from AARP and other advocacy groups that every survey confirms our intuition that elderly persons prefer to stay at home or in their community as long as possible. You have also heard that in Wisconsin literally thousands of persons are right now on a waiting list to gain access to community programs. Some of our people wait so long that they die before they reach the top of the list. Others, who can't wait any longer have to go to a nursing home even though they do not need the level of care a nursing home can provide and that is an expensive choice. We believe that the full funding for the 2,500 COP placements that DHFS requested would have made a beginning to restore the balance between institutional and community programs.

As our society is presently constituted nursing homes provide an important and valuable resource for some of the elderly and disabled persons. However, a \$ 132,000,000 rate increase to nursing homes, at a time when the number of beds occupied has been decreasing and is projected to continue to decrease, seems to us not easily justified (Boren amendment or not). That's more than 9% over the biennium. Especially is this true when those non-institutional programs for which thousands of Wisconsin citizens are waiting are virtually ignored. We think this is not a fair use of tax dollars.

We AARP volunteers here in Wisconsin, have been following closely and enthusiastically the extraordinary and ambitious effort of the Department of Health and Family Services to effect a major reorganization of the way the state provides long term care. Although the job is not done, it seems clear from the deliberations of citizens committees and the models presently under consideration that community and non-institutional care will play a larger and larger role in our state. That's to be expected because it is clearly what those in need prefer and for many people it is the least expensive solution. The Governor's budget seems to be going off in the opposite direction---strongly favoring institutional care.

Personally, I hope you will not let this turn into an argument with nursing home providers, we need them. But we believe it is wrong for the state to starve non-institutional programs while giving huge increases to the institutions.

To: Joint Finance Committee
From: Betty Ann Fischer
American Association of Retired Persons
State Legislative Committee
Subcommittee on Children and Families

Although AARP is an organization of retired or about to be retired persons, we recognize that the health and well-being of children is the foundation of a successful society. Many of us are grandparents who volunteer in schools and neighborhoods. We urge the Joint Finance Committee to carefully analyze the budget for Wisconsin Works (W2) to ensure that our children and families can thrive and will receive services when they follow all the state rules. Several members of AARP will testify at this hearing today, April 15. I am focussing on three concerns.

First, we support using the complete Temporary Assistance to Needy Families (TANF) for W2 instead of using part of the money for the Child Welfare Reform Agency in Milwaukee or using TANF monies to replace Community Aids funding. Because the TANF grant will remain the same for six years, it is essential that the funds be used to make W2 as effective as possible.

Second, the current budget provides a monthly payment of \$77 per child to SSI parents. These parents are not eligible for W2 services and this amount would be a major reduction in their income. Family members caring for a child under the kinship care program will receive \$215 per child per month. We ask the Committee to consider allowing the same amount to SSI parents who have needs as great or greater.

Third, the federal government has ruled that legal immigrants and refugees are no longer eligible for food stamps. When the budget for W2 was written, members of the legislature believed that food stamps would help legal immigrants while they learned our language and gained skills to survive in a new culture. With the denial of food stamps we urge the Committee to provide state funds to replace food stamp income and assist legal newcomers to our state.

TO: Joint Finance Committee
FROM:: Helen DeBardleben
AARP
Capital City Task Force
Subcommittee on Children and Families

AARP State Legislative Committee members are concerned not only with issues which affect older people directly but also with intergenerational matters. How W-2 develops will impact on all of society, and the following issue is of primary concern.

Education and Training:

W-2 establishes an employment skills advancement program for grants to low income working parents for participation in a vocational training or education program, to begin six months after the statewide implementation date for W-2.

The maximum lifetime grant is \$500, to be used for books, tuition, transportation, or other direct costs of training or education. This is conditional upon a number of factors, one of which is that the individual must be working at least 40 hours per week, unless there is an employer and agency agreement modifying that. Another is that the individual contributes an amount at least equal to the amount of the grant and obtains funding from other sources in a similar amount for tuition, books, transportation or other direct costs of the training or education.

The lifetime amount of money and the numerous conditions required make it impossible in a majority of cases for a participant to obtain education or training which will help him or her to improve his or her work situation significantly over a long term work life. Therefore, it is urged that greater financial assistance be available to help W-2 participants get education or training so that they are more able to become and remain self sufficient.

1997-99 Wisconsin State Budget Issues
American Association of Retired Persons
Transportation and Environment Subcommittee
Wisconsin State Legislative Committee

Transportation

We are concerned that highway development and construction are getting significant increases, while local transportation, highway rehabilitation, county and municipal roads, and mass transit get less or have less than inflation increases. Highway repairs and mass transit should be getting more than inflation increases.

Transportation for the elderly and disabled should get more than the proposed 3% increase. The planning process of the Department of Transportation two years ago recommended that this transportation item be doubled. This proposal does not begin to meet this recommendation.

Environment

The proposal to add two findings that the Department of Natural Resources must make before issuing a permit for a metallic mine, to require that there is proven technology to ensure that the mine will not contaminate the environment and that the proposed mine will use the technology, raises too many questions. Who determines that the technology exists? Who will monitor the mine to assure that the technology is being used? What if the technology does not work as intended? We favor the separate bill passed by the State Senate, Senate Bill 85 as amended, dealing with this issue.

***Testimony of
Barbara L. Nichols, RN, MS, FAAN
Associate Director for Nursing
of the
Wisconsin Area Health Education Center (AHEC) System
April 16, 1997***

The Wisconsin Area Health Education Center (AHEC) System is a statewide collaborative project of the University of Wisconsin-Madison Medical School (UWMS), the Medical College of Wisconsin (MCW) in Milwaukee, four regional AHEC corporations, and community academic partners. Its mission is to improve access to health care in underserved Wisconsin communities through changes in health professions education. The AHEC educational programs are designed to improve both the supply and distribution of health care professionals. AHEC also supports health career programs for middle and high school students, continuing professional education, and career ladder programs.

The AHEC program has proven to be a successful approach to addressing the problems of underserved populations by establishing and maintaining education-service linkages between health profession schools and training resources of local communities. This educational intervention allows for the training of medical students, primary care health professionals, and practicing health professionals in underserved rural and urban communities. It enhances the recruitment and retention of health professionals in underserved areas, and also enhances health careers training opportunities and/or experiences for underrepresented minority and disadvantaged populations.

We are requesting an addition of \$540,000 above the governor's recommendation in continuing state support of the Wisconsin AHEC System for the 1997-99 biennium, \$247,500 for state fiscal year 1997-98, and \$292,500 for state fiscal year 1998-99. State funding for the Wisconsin AHEC System is evenly divided between the two medical schools. This funding ensures that a fiscal partnership is established between federal, state, and local entities. The funding of AHEC programs is a rational approach to address the education service needs of underserved populations in Wisconsin. The benefits to Wisconsin for AHEC state support include the following: implementation of a statewide plan for primary care workforce needs, implementation of a statewide plan for increasing minority representation in health professions, implementation of a statewide plan for off-campus undergraduate and graduate health professions education programs and implementation of activities that facilitate statewide medical school and regional goals.

We ask for your affirmative vote on our request.



THE ACADEMIC STAFF PUBLIC REPRESENTATION ORGANIZATION

Ether Olson, President • Barry Robinson, Co-Vice President • Chuck Evenson, Co-Vice President • Bob Dye, Secretary/Treasurer

ASPRO SUPPORTS THE GOVERNOR'S BUDGET

The Academic Staff Public Representation Organization (ASPRO) is a professional organization representing the academic staff of all of the UW System campuses.

The biennial budget is ASPRO's top legislative priority. Compensation increases which will allow the University to recruit and retain high quality academic staff and faculty are ASPRO's paramount concern.

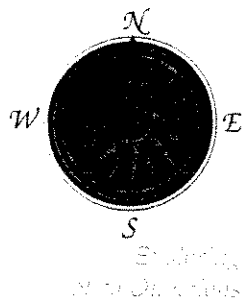
Therefore, ASPRO supports the Governor's biennial budget because the bill:

1. Authorizes the Board of Regents to determine academic staff and faculty salaries.
2. Gives the UW System 105% tuition spending authority.
3. Permits the Board of Regents to use tuition revenue to augment the state compensation plan for academic staff and faculty. In doing so, the Governor wisely recognizes the instrumental role played by both academic staff and faculty in meeting the University's multiple missions.
4. Provides other management flexibilities, including greater flexibility in the recruitment and promotion of nonprofessional classified employees.
5. Makes no across-the-board cuts to the UW budget.
6. Increases student financial aid (WHEG).

ASPRO believes that the need to bring the salaries of academic staff and faculty in line with those of their counterparts at comparable universities far outweighs the cost of a possible tuition increase.

ASPRO also believes that a possible tuition increase of less than \$100 per semester will not severely affect the vast majority of students. UW System tuition has historically been low as compared to peer institutions. Allowing the Board of Regents to spend up to 105% of the budgeted tuition level will not alter the fact that UW students receive an outstanding education at a relatively low cost.

Rather than focusing on the potential increase in tuition, ASPRO recommends that the legislature provide additional GPR funding for financial aid to assist the very economically disadvantaged students who will experience real difficulty paying any additional tuition increases.



Charter Schools: A Reality Check

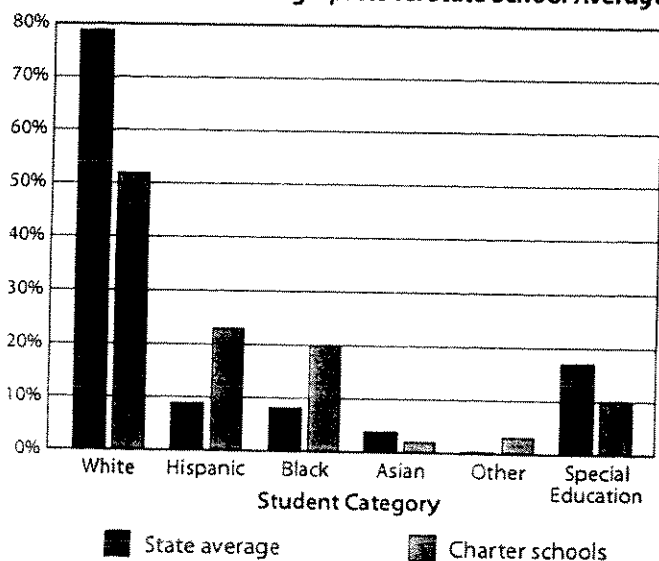
Since the opening of the first Massachusetts charter schools in 1995, there has been substantial debate about the nature and impact of these new providers of public education. Most of the discussion has been based on conjecture and ideology, rather than facts. Now that 15 charter schools have been in operation for almost a full school year, it is possible to conduct a reality check by looking at the available data.

MYTH: *Charter schools will not be racially and ethnically diverse, and will not accept special needs students*

FACT: **Charter Schools Are More Diverse Than the Average Public School**

Enrollment data collected by the Massachusetts Department of Education and Executive Office of Education show that charter schools have relatively fewer white students and relatively more minority students than the average public school in the Commonwealth.

Charter School Demographics vs. State School Average



Source: Spring 1996 survey of charter school parents (sample size = 495)

Over 10 percent of charter school students have special needs and Individualized Education Plans (IEPs). While this is below the state average, it is above the national average for all public schools.

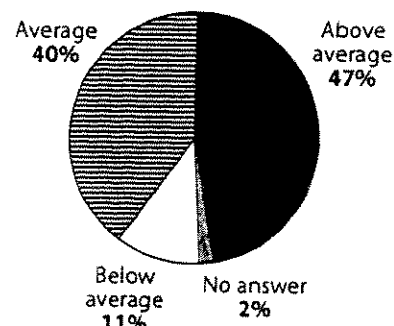
MYTH: *Charter schools will attract only the best students*

FACT: **Most Incoming Charter School Students Were Average or Below-Average Achievers at Their Previous Schools**

In a mail survey of charter school parents conducted by Pioneer Institute, 51 percent said their children were average or below-average achievers at their prior schools.

Given that these are opinion data, rather than test scores, the results should not be considered definitive. Nevertheless, it certainly appears that charter schools are not exclusive clubs for high-achieving students.

Academic Performance of Incoming Charter School Students As Reported by Parents



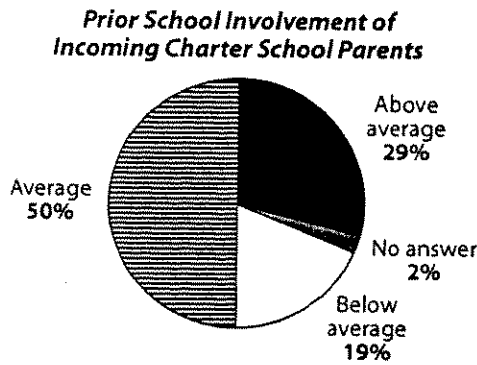
Source: Spring 1996 survey of charter school parents (sample size = 495)

Over, please

MYTH: Charter schools will attract only the most involved parents

FACT: Less than One-Third of Charter School Parents Were More Involved in School Affairs Than the Average Parent

According to Pioneer's survey of charter school parents, only 29 percent believe their level of participation in their child's prior school was above average. If this opinion survey is an accurate reflection of actual parental involvement, then it is clear that charter school parents are no more active in their children's education than the average parent.

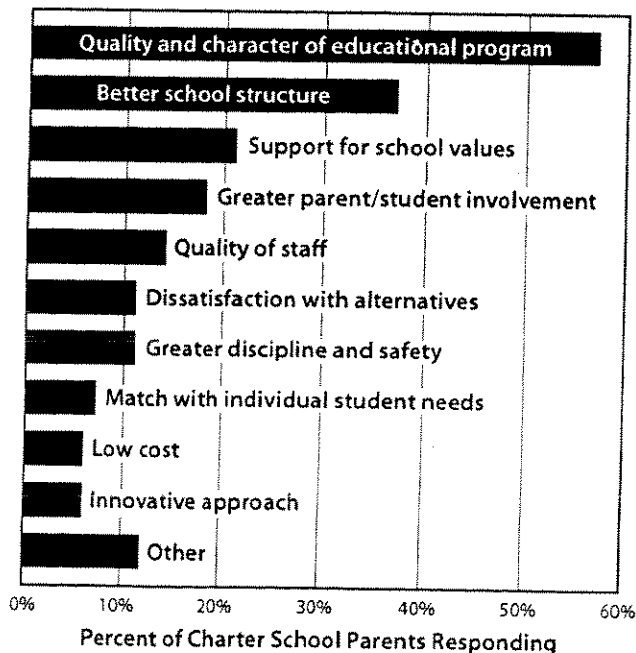


Source: Spring 1996 survey of charter school parents (sample size = 495)

MYTH: Parents will choose charter schools for reasons other than educational quality

FACT: Most Parents Chose Charter Schools for Educational Reasons

Reasons Why Parents Chose Charter Schools



Source: Spring 1996 survey of charter school parents (sample size = 495)

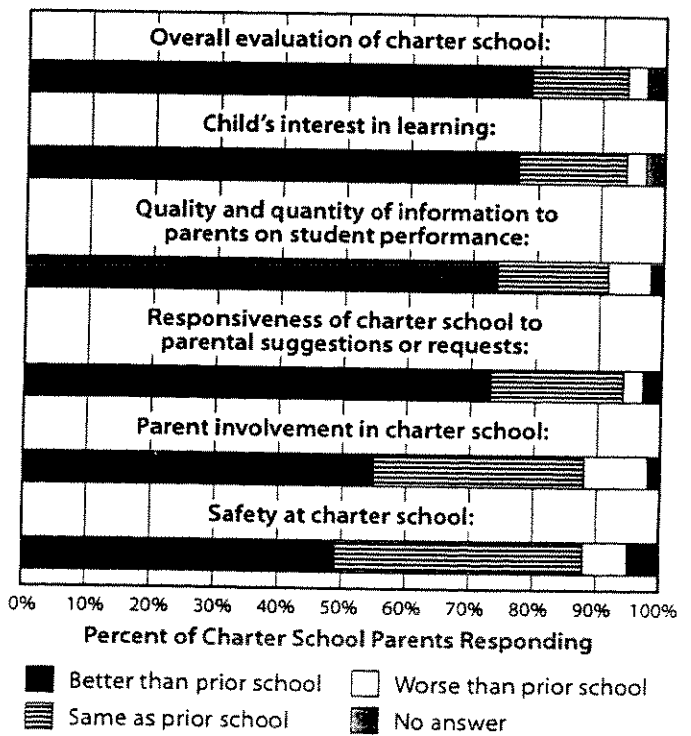
The number one reason why charter school parents chose their charter school was the quality and character of its educational program. The next most important reason was the structure of the school, including such characteristics as longer school days, longer school years, and smaller size. Almost all of the reasons cited by parents involved important educational issues.

MYTH: Charter schools will not be superior to existing public schools

FACT: Charter School Parents Believe Their New Schools Are Superior to Their Prior Schools

According to Pioneer's survey of charter school parents, 79 percent report that their overall experience with their new school is superior to their past experiences in other, non-charter schools. Only a handful of charter school parents found their charter school to be in any way inferior to previous schools.

Performance of Charter Schools vs. Previous Schools



Source: Spring 1996 survey of charter school parents (sample size = 495)

Debra Boushley
112 N. Mills St.
Madison, WI 53715
April 12, 1997

To: Rep. *Coggins*
From: Debra Boushley

I am concerned about the State Budget for '97-99. **If you increase the co-payments to the Federal Allowable Maximums**, I will not be able to afford my medicines or other co-payments. I disagree that it should go up to the federal allowable. **There should be no new co-payments or increases in the future. I am a disabled person and on a fixed income.** Half of my SSI check goes to rent, food, bus pass (transportation to get around the town since I can not drive a car).

I also disagree with the proposal about the Specialized Transportation . Why should the Brewers get more money than Elderly and the Disabled people? I think it should be equal to both sides, not to one side.

Also, I disagree about what Governor Thompson wants to do with Non-Institutional Medical Assistance Providers. **He wants to increase payments by 1%. I think it should be a 3% increase.** I would rather use the Home Health Agencies, than other ways which could be more expensive.

Please take the **"Right to Refuse Treatment"** out of the Budget because it does not fit in the budget. I use the Mental Health Services at UW-Hospital. I have a contract when I am depressed and really stressed out, that says I can go in for 3 nights, then come home until I need it again. I don't like the proposal to "Restrict the rights of competent adults who refuse certain treatment. So, please take the **"Right to Refuse Treatment"** of the budget.

"FUND THE COMMUNITY PROMISE" PLEASE !!!!!!!!!!!

ALSO I THINK HUMAN LIFE TAKES PRIORITY OVER POLITICS!!!!!!

Sincerely,

Debra Boushley
Debra Boushley

JOINT LEGISLATIVE COMMITTEE

YOUR RIGHT TO KNOW:

Records should be open, not for sale

By MARK W.C. STODDER

From Madison to Manitowoc, officials in state and local governments are scrambling to cash in on what is fast becoming a valuable commodity: public information.

As budgets shrink and elected representatives balk at tax hikes, officials have come to believe there's gold in those government file cabinets and hard drives. They know there is a market for public information: Citizens need it to better understand the actions of their government and businesses need it to make decisions, serve customers and reach new customers.

State lawmakers are poised to open the cash drawers for court clerks and agency officials—even if it means closing the doors on open government for citizens unwilling, or unable, to pay for access to public records.

The most alarming move in this direction consists of a few lines in Gov. Tommy Thompson's 2,000-page budget bill. Called "Fees for the Sale of Court Documents," the proposal would abandon decades of openness in favor of market-driven document distribution.

No longer would state courts be able to charge only the "actual, necessary and direct" costs for copies and other court information, as the state's Open Records Law requires. As interpreted by the Legislative Fiscal Bureau, "there would be no maximum amount that could be charged."

Another potential menace to Wisconsin's tradition of openness comes from a committee of judges and court officials who have petitioned the state Supreme Court to radically alter court rules on public records access. This proposal sidesteps, and in some cases directly

contradicts, Open Records Law requirements.

Fees would escalate dramatically: \$15 for a diskette, \$40 for a CD copy, plus charges for a court clerk's time to produce these records. And while the Open Records Law now requires officials to respond to requests "as soon as practicable and without delay," the proposed new rules would give officials at least 10 days—and more if they like.

The current law also prevents officials from demanding the identity of the records' requester or the reason for the request. But the proposed rules would require those seeking electronic records to give their names, addresses and telephone numbers.

Finally, the new rules would permit court officials to "enter into agreements with commercial providers of access services to disseminate records that are otherwise open."

This potential "privatization" of public records access is no small matter: Across the nation, commercial public records distributors such as Ameritech, Equifax and TRW-REDI are working hard to change laws and make deals with local and state governments to become the exclusive providers of electronically available public information.

Officials in several counties in Indiana and Illinois have already entered into such agreements with Ameritech, through its "CivicLink" subsidiary. In those counties, citizens have no choice but to pay Ameritech a so-called "market price," which runs from \$2 to \$12, to review a single public record electronically.

In Wisconsin, Ameritech representatives have been touting the revenue wonders of "CivicLink" to local officials for months. Earlier in

this legislative session the telecommunications giant launched an attempt to change the Open Records Law to allow CivicLink to thrive in the state. That effort, however, was blocked in February by a Legislative Council committee when a majority of the group declared that government marketing of public records was contrary to the law's spirit and intent. Taxpayers, committee members argued, have already paid to have the government gather information, and should not also have to pay a "market price" in order to use it.

The "Fees for the Sale of Court Documents" bill and the court rules petition, together, however, would give Ameritech and other commercial records distributors (along with revenue-hungry court officials) precisely what they've been hoping for: new revenue streams from citizens and businesses.

Largely due to a lack of public awareness, opposition to these measures has been limited to those who work in or about courthouses. Wisconsin's newspapers, local ACLU officials, title companies, attorney groups and other regular users of public records have all voiced protests. We'll know soon if those voices of opposition will be heard: Committee hearings on the governor's budget bill are now under way, and a hearing on the court rules proposal is set before the Supreme Court on May 6.

"Your Right to Know" is produced by the Wisconsin Freedom of Information Council, a statewide media group devoted to protecting Wisconsin's open records and open meetings laws. Mark W.C. Stodder is publisher of The Daily Reporter and Wisconsin Opinions, two Milwaukee-based statewide publications that specialize in legal and business news.

**WISCONSIN
COALITION
FOR ADVOCACY**

Advocacy for citizens with disabilities

April 16, 1997

To: Members of the Joint Committee on Finance

From: Dianne Greenley, Managing Attorney, Mental Health Advocacy
Roy Froemming, Managing Attorney, Developmental Disabilities Advocacy
Lynn Breedlove, Executive Director

Subject: Governor's Budget

This is truly an appalling budget for people with disabilities. Nursing homes, where people don't want to go, get an enormous \$132 million increase. Community programs, where people do want services, get practically nothing. Community Aids are actually cut. There is no increase for the Family Support Program, the Birth to Three Program, or Independent Living Centers; and there are only 400 new slots per year in the Community Options Program for 8900 people on waiting lists. In addition, poor people with disabilities are being told to pay more out of their own pockets for Medical Assistance co-payments.

In order to reverse this incredible institutional bias we strongly support the Fund the Community Promise Budget Package (attached to this statement). This proposal would use an increase in the cigarette tax along with other funding sources to maintain and increase community programs. We support significant increases in the Community Options Program as well as inflationary increases for Community Aids and Medical Assistance community providers and increases in a variety of other programs which enable people with disabilities to live in the community. We oppose any new Medical Assistance co-payments.

Legal Immigrants

In July and August of this year between 4000-5000 elderly and disabled legal immigrants will lose their SSI. These people will have no money for food, rent, clothing and other necessities of life. Many are seeking to become citizens. However, the INS has an enormous backlog of applications to process and many have difficulty negotiating the process and coming up with the \$95 fee to apply.

While we believe that pressure must be maintained on the federal government to reverse this cut off of SSI, we are very concerned that a federal solution, if it comes, will not be in time to avoid people losing their benefits. Thus, we strongly support the development of a stop gap state benefit for immigrants who lose their SSI before citizenship is granted or before the federal government acts to address this problem. We also support funding to refugee assistance organizations to help them assist individuals to become citizens.

Policy Items in the Budget

There are three policy items in the budget that we strongly urge you to remove. They are: the legislation concerning the right to refuse treatment and the development of non-treatment programs; the movement of the HIRSP program from the Office of Commissioner of Insurance to the Department of Health and Family Services and the incorporation of this program into Medical Assistance; and the language regarding protection and advocacy agency access to records. All three items are discussed in detail on the attached memo.

**WISCONSIN
COALITION
FOR ADVOCACY**

Advocacy for citizens with disabilities

March 31, 1997

To: Members of the Joint Committee on Finance

From: Lynn Breedlove, Executive Director
Dianne Greenley, Managing Attorney, Mental Health Advocacy

Re: Three Policy Items in Governor's Budget
Right to Refuse Treatment
Health Insurance Risk Sharing Plan (HIRSP)
Protection & Advocacy Agency Access to Records

The Wisconsin Coalition for Advocacy urges you to remove three policy items from the Governor's budget. They are: 1) language relating to the right to refuse treatment for mental illness, developmental disability or alcohol or other drug abuse, 2) provisions relating to the Health Insurance Risk Sharing Plan, and 3) language relating to protection and advocacy agency access to records. None of these items is significantly related to state spending and they deserve much more debate and scrutiny than they will receive as part of the budget process.

Right to Refuse/Consent to Treatment

Under current law persons civilly committed under Ch. 51 or persons under forensic commitments (incompetent to stand trial or insanity defense) have the right to refuse medication or treatment unless they are found by a court to be incompetent to make this decision. During the last legislative session the definition of incompetence was expanded to make it even easier for courts to make finding. (1995 Wis. Act 268) Once the court finds them to be incompetent they are then ordered to participate in the treatment or take the medication which is ordered by the treating physician.

The proposals in the Governor's budget make the following changes.

For persons who are committed and found incompetent by a court to consent to or refuse treatment the Department of Health & Family Services is required to develop standards and procedures for treatment staff to follow to make sure that the treatment is appropriate for the individual.

For persons who are committed but competent to consent to or refuse treatment and who are refusing medication or other treatment, the bill makes a number of major changes. First, it establishes a right for the patient to request a review of the proposed medication or treatment by a review panel. This panel would be composed of three treatment professionals, one of whom is a physician and one of whom is a psychologist; none of them may be involved in making

treatment decisions for the patient. The patient must make the request within 10 days of when the treatment or medication is offered. The review panel must follow certain due process procedures including meeting with the patient if requested, taking statements from others, and producing a written determination, within 5 days of their meeting, regarding whether the proposed treatment is reasonable and appropriate for the patient. If the patient fails to request a review or if the panel finds the treatment to be reasonable and appropriate and the patient continues to refuse, the following actions can be taken:

- a. For persons under Ch. 51 or 55 the treatment facility or program may terminate its contractual agreement with the county department of community programs or human services and return the patient to the county, may request a re-examination of the patient, or may discharge the patient if the requirements under sec. 51.35(4) are met.
- b. For any person in a state mental health institute or other inpatient facility, the facility may transfer the patient to a nontreatment unit or facility. The person may stay there until they are released from their commitment or until they consent to treatment.
- c. For any person under any civil or forensic commitment, the facility can petition the court for an order to involuntarily treat the person (excluding the use of psychotropic medications) if the court finds that the patient's interest in not consenting to treatment is outweighed by the interest of the public and the patient in treatment for the patient's condition. (This could include treatment such as behavior medication programs, participation in sex offender treatment programs, alcohol and drug abuse treatment, etc.)

Non-treatment units or facilities do not currently exist. Under the budget bill provisions they could be created by DHFS, a county or another person operating an inpatient facility. They would have to meet DHFS rules and could not be located in a prison or jail. However, patients in non-treatment units or facilities would not have the right to treatment in the least restrictive environment, could be locked in their rooms at night, and would not have the same rights to be treated with dignity and respect and under humane psychological or physical conditions as other patients. Patients could be held there until they decided to consent to treatment or until the end of their commitment. It is unclear how such units would be paid for.

It is our opinion that placing persons who are committed for treatment into "non-treatment" facilities violates their constitutional and statutory rights. It also creates an extraordinarily coercive environment for persons wishing to exercise their right to refuse a particular medication or treatment. To do so may mean that they are moved to a very punitive environment for a significant length of time.

We believe that better information needs to be gathered about the nature of the problem of persons who are committed but competent and refusing treatment. Significant changes in the law should not be considered until there is a clear definition of the problem and issues. The

budget bill is not the context for such an analysis and review of options.

Health Insurance Risk Sharing Plan (HIRSP)

The budget proposes major changes in the way HIRSP is administered. These changes have not been thoroughly reviewed by the board of Governors of the Plan, nor by the people who will be most affected, HIRSP participants.

Currently HIRSP is administered through the Office of Commissioner of Insurance (OCI). Day to day operations are handled by Blue Cross/Blue Shield United of Wisconsin. HIRSP rates have been high, however, significant steps to contain costs have been undertaken by the HIRSP Board and BCBSU during the past few years. These have included a 10% reduction in payments to providers, the development of Managed Care Networks, a case management program for high cost participants, and hospital utilization review.

The budget proposes to move HIRSP from the Office of Insurance Commissioner to the Division of Health in DHFS. HIRSP then would be administered as a adjunct to the Medical Assistance Program. The HIRSP package of benefits would remain the same, but the Medical Assistance rates and providers would be used. The contracted administrator would change over time from Blue Cross/Blue Shield to EDS, the Medical Assistance administrator.

This will be a major change and disruption for the 8,800 HIRSP participants. It also may significantly reduce their access to providers since many providers are not willing to accept Medical Assistance rates.

There is no need for this change. The program operates well where it is. Both OCI and Blue Cross/Blue Shield have done an outstanding job in administering the program. The costs in the plan are under better control now than in the past. Rate increases to plan participants have decreased from a high of 28% in 1992 to 9% in 1996. Insurer assessments have also significantly decreased.

Thus, we urge you to remove this item from the budget. The proposed changes need much more analysis and debate. Having this item reintroduced as separate legislation would allow for this to happen

Protection and Advocacy Agency Access to Records

The budget contains a very confusing provision relating to access to client records by our agency. We cooperated with legislators and parent groups to make changes to this law in the last session. The new changes, which were proposed by the Division of Care and Treatment Facilities of DHFS, have never been discussed with us. We do not understand the need for the changes nor their intent. Thus, we request that this item be removed from the budget so that further review and discussion can take place.

FUND THE COMMUNITY PROMISE!

Aging/Disability Coalition Proposal for the 1997 - 1999 State Budget

Governor Thompson's proposed state budget continues the institutional bias and does little to Keep the Community Promise (other than his proposed repeal of the Community Caps). He proposes a \$132 million increase for nursing homes, but only \$5 million for COP, and he shortchanges the other community programs listed below.

The \$132 million nursing home increase is bigger than the entire annual \$119 million budget for COP and COP Waiver. This is in spite of the fact that the number of people in nursing homes funded by Medicaid is expected to decrease in the next biennium. An increase of \$132 million in COP would allow over 13,000 more people to be served by COP/COP Waiver! There are 8,900 people on COP waiting lists statewide.

WE HAVE TO LET THE LEGISLATURE KNOW:

SHOW SOME FAIRNESS! FUND THE COMMUNITY PROMISE! BALANCE THE LONG-TERM SUPPORT BUDGET!

- 1) **Community Caps** - Governor's proposal: Repeal the caps
Recommendation: Support the Governor's proposal
- 2) **Community Options Program** - Governor's proposal: 400 slots a year.
Fairness Amendment: Eliminate the 8900 person statewide COP waiting list and restore the transfer of nursing home funds to COP (Act 469). (Proposed funding sources for this increase are shown at the end of this paper.)
- 3) **Community Aids** - Governor's proposal: \$7.3 million cut to the basic county allocation, including a reduction in the state's commitment of GPR funding to Community Aids by \$31.8 million/year.
Fairness Amendment: Restore the overall basic county allocation to 1995 levels; restore the GPR portion of Community Aids to 1995 levels; add additional line item for wage initiative with allocation of \$1 million in year 1 and \$2 million in year 2.
- 4) **Medical Assistance (Title 19) Co-payments** - Governor's proposal: Increase all co-pays to federal allowable maximums.
Fairness Amendment: No new co-payments or co-pay increases.
- 5) **Specialized Transportation** - Governor's proposal: \$600,000 increase for elderly and disabled transit (while \$12 million will be spent for the Brewers to move a highway).

Fairness Amendment: \$2 - 3 million increase, depending on the level of the gas tax increase (we propose \$1 million increase in specialized transportation funding for each penny of gas tax increase).

- 6) **Independent Living Centers** - Governor's proposal: No increase.
Fairness Amendment: Increase each Center's allocation from its current \$224,000/year to \$250,000/year.
- 7) **Non-Institutional Medical Assistance Providers (such as Home Health Agencies)** - Governor's proposal: 1% increase.
Fairness Amendment: 3% increase
- 8) **Nursing Home Bed Banking** - The budget proposes to allow nursing homes to "bank" (temporarily delicense) beds in order to obtain a higher reimbursement under MA.
Fairness Amendment: Remove the Bed Banking provision, and leave in place the current incentive for nursing homes to close empty beds and allow counties to convert those beds to CIP II slots.
- 9) **SSI and AFDC** - Governor's proposal a): Eliminate the AFDC payments to 5400 families (which includes 7500 children) headed by a parent with a disability on SSI, and replace them with a \$77 per child monthly payment to the parent. This represents a 65% loss of income to an average family.
- Governor's proposal b): Eliminate the state SSI supplement for legal immigrants who have recently lost federal SSI eligibility.
Fairness Amendment to a): Provide a state supplement equal to the amount families received from AFDC or Kinship Care level of \$215 per child per month.
Fairness Amendment to b): Create a new cash benefit to replace the lost SSI benefits for legal immigrants; allocate funds to assist SSI potentially eligible individuals in the naturalization process.
- 10) **Elder Rights Package** - The budget includes no increase in funding for the Benefit Specialist program, for elder abuse services or the Ombudsman program.
Fairness Amendment: Provide funds to expand all three of these programs, including funds for the Volunteer Ombudsman program.
- 11) **Family Support Program** - Governor's proposal: zero increase
Fairness Amendment: Increase of \$4 million each year to eliminate the 1850 person waiting list; create new line item to provide Family Support Program respite care to families of individuals with disabilities over age 22 living at home (separate allocation : \$1 million each year).
- 12) **Birth to Three Program** - Governor's proposal: zero increase
Fairness Amendment: Fully fund the program; provide additional \$250,000 in FY98 and \$750,000 in FY99 for emergency fund to distribute to counties as needed to maintain services.
- 13) **CIP 1B** - Governor's proposal: no rate increase; 75 additional placements each year.
Fairness Amendment: Increase rates for new slots from \$48.33 to \$75; create 300 additional slots in FY98 and 200 additional slots in FY99.
- 14) **Education of Children with Special Needs** - Governor's proposal: freeze Categorical Aids for Handicapped Education which will result in a drop in reimbursement of costs incurred by school districts to below 39%.

Fairness Amendment: Increase Categorical Aids so that reimbursements to school districts for special education does not drop below 39%.

- 15) **Right to Refuse Treatment** - Governor's proposal: restrict the rights of competent adults who refuse certain treatment while committed to psychiatric facilities, and authorize the creation of non-treatment facilities.

Fair Amendment: Take this policy issue out of the state budget.

- 16) **Health Insurance Risk-Sharing Program (HIRSP)** - Governor's proposal: transfer HIRSP from the Insurance Commissioner's office to the Medical Assistance program at DHFS.

Fairness Amendment: Take this policy issue out of the state budget.

- 17) **Foster Grandparent Program** - Governor's proposal: transfer the program from the Bureau of Aging and Long Term Care Resources to the Division of Children and Family Services.

Fairness Amendment: Maintain the program in the Bureau of Aging and Long Term Care Resources with other aging volunteer programs.

Proposed Ways to Fund the Community Promise

As the state moves to redesign long-term care, it is essential that home and community care be adequately funded because it is the overwhelming preference of older persons and people with disabilities and it will help continue the trend of decreased nursing home utilization. Also, until redesign is implemented, everything possible should be done to combat the institutional bias.

A Proposal to "Balance" the Long-Term Care Budget

- Increase the cigarette tax by another nickel a pack to "level the playing field" by eliminating waiting lists for home and community care (COP). This would provide increased revenues of approximately \$20 million a year but would leverage an additional \$21 million a year by matching federal funds under the COP-Waiver program (using 70% of the \$20 million to match federal dollars). This amount of funding would dramatically reduce waiting lists for home and community care, and would further reduce nursing home utilization paid for by Medical Assistance.
- Allocate a portion of Wisconsin's expected \$25 million 1997 revenue from the Liggett court settlement to the state's Medicaid budget, freeing up GPR \$ for community programs.
- Reinstate Act 469, with certain amendments, to allow the transfer of funds to COP when there is reduction—in Medicaid - paid nursing home days from one year to the next. Target all or most of the savings for nursing home relocations to assure future savings.
- Strengthen the role of DHFS and counties in determining whether or not to allow the transfer of nursing home beds from one facility or county to another. The decision would have to assure that the transfer was not inconsistent with county plans to develop home and community care.
- Amend the Governor's budget proposal that allows nursing homes to "bank" beds if their occupancy rate is below 91% to provide Community Integration Programs (CIP) funds to counties to provide home and community care. Also, use CIP funds for relocation. This will provide additional resources to counties for home and community care, *and* assure the gradual permanent closing of nursing home beds. Without this amendment, nursing homes will receive higher Medicaid reimbursement (i.e., cost more money) and

can use the beds again when their occupancy rates go up. This amendment does not increase Medicaid costs.

Other Funding Sources

- **Medical Assistance Savings** - According to the budget the overall Medicaid caseload is projected to decline in the 1997-1999 biennium. Based on the average cost per Medicaid recipient in 1995/96 of \$5,031, the caseload reductions provide a savings of \$97 million in 1996/97, \$69 million in 1997/98 and \$78 million in 1998/99. In addition, if the proposed balanced long-term care budget is approved, there should be even greater savings through further decreases in nursing home utilization.
- Provide a smaller rate increase for nursing homes in order to give more equity in rate increases for non-institutional MA providers.
- Eliminate the \$25 senior citizen income tax credit for older persons with adjusted incomes of over \$40,000 a year to raise \$1.7 million to fund the Benefit Specialist program (county, tribal and legal backup), expand elder abuse services and provide two additional long-term care Ombudsman positions and funding for the Volunteer Ombudsman program.
- Increase the gas tax by 2-3 cents per gallon to provide increased funding for specialized transportation for the elderly and people with disabilities as well as for other highway and transportation programs.

For more information you can contact:

Coalition of Wisconsin Aging Groups - (608) 224- 0660

Wisconsin Coalition for Advocacy (608) 267-0214; (800) 928-8778 for consumers and family members

Wisconsin Council on Developmental Disabilities (608) 266-7826

Memorandum

April 16, 1997

To: Members of the Joint Committee on Finance
From: Scott Sabo, for Badger-Hawkeye Red Cross
Re: Budget Provision on Bone and Tissue Harvesting Merits Support

The Budget contains a provision to amend Wisconsin's version of the Uniform Anatomical Gift Act to permit trained technicians to remove donated bone and tissue from deceased donors. I appear in support of that provision.

In 1969, the state of Wisconsin adopted its version of the Uniform Anatomical Gift Act (UAGA) -- a law adopted to govern the critical and humanitarian function of procurement of deceased donor body parts for use in life- and health-saving transplantation procedures.

At that time, the majority of transplantation procedures involved "solid organs" -- such as the heart, kidney, and liver. While organ transplantation has grown greatly since the 1960's, transplantation of other tissues -- such as processed bone, tendons, and heart valves -- has become even more common. Today, donated tissue products are routinely used by orthopedic and cardiac surgeons and other physicians to treat burn victims, persons involved in serious accidents, patients with heart and bone diseases, and many others.

On a yearly basis, hundreds of Wisconsin patients -- and thousands nationally -- benefit from the heartfelt generosity of deceased donors and their families, and from the dedicated work of hospitals and other agencies involved in procurement and transplantation procedures.

As originally enacted, the Wisconsin UAGA specifically authorizes only "physicians" to procure tissues for transplantation. Yet, with scientific advancements made in the 28 years since then, actual practice has evolved accordingly. While tissues are now routinely obtained, the procurement procedure is most typically conducted by highly-trained technicians working under the supervision of a physician.

Memorandum

Currently, Wisconsin is the only state that still restricts procurement activity solely to "physicians." Enactment of the Budget provision would bring Wisconsin's statute into congruence with those of other states by making a technical amendment to specifically authorize professionally trained and supervised "technicians" to remove donated tissues.

Clarifying the authority of technicians to procure tissues will ensure that severely ill and injured Wisconsin residents continue to receive the vital services provided by biomedical organizations dedicated to procurement and transplantation. Needed tissues will be more available if all qualified personnel clearly have the authority to procure them.

In recent weeks, the federal Food and Drug Administration has issued new guidelines for tissue procurement that will likely require additional training for professionals who procure tissue -- requirements which may be impractical and unrealistic for physicians to fulfill. And in the current climate of health care cost control, it is a far better use of resources for physicians to practice preventive and curative medicine for the living while trained technicians perform procurements involving deceased donors.

Enactment of the Budget provision is supported by the American Red Cross -- North Central Tissue Services and St. Luke's Medical Center, the two organizations which provide tissue services in Wisconsin, as well as by Froedtert Memorial Lutheran Hospital and Wisconsin Donor Network, the State Medical Society of Wisconsin, the University of Wisconsin Hospital and Clinics and the UW Organ Procurement Organization, and the Wisconsin Health and Hospital Association. Your support for this important Budget provision would also be appreciated.

April 15, 1997

Representative Scott Jensen
Senator Brian Burke
Joint Committee on Finance
Wisconsin State Assembly

Last year the state agency Affirmative action officers made recommendations to the civil service reform Commission. At the top of our list was retention of the State Affirmative Action Council.

The State of Wisconsin agency Affirmative Action Officers would like to express its unanimous support for the continuation of the existence of the Wisconsin Affirmative Action Council. The Affirmative Action Council has played a vital role in maintaining the State of Wisconsin's reputation of providing progressive leadership among state governments, in the area of Affirmative Action and Equal Employment Opportunity.

As you all are aware, Wisconsin's Fair Employment Law was one of the first and remains one of the best state laws in the country in safe guarding AA/EEO. The citizen of Wisconsin demands that we take the lead in advocating for the equal rights of all its citizens.

The Affirmative Action Council is the citizens input and access into the state government Affirmative Action programs. It is part of a unique triad that makes up state government's Affirmative Action/ Equal Employment Opportunity community partnership. The state agencies and the Department of Employment Relations, Division of Affirmative Action are both accountable to the AAC.

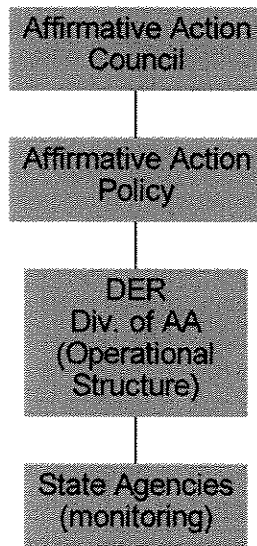
The AAC has a critical role by providing public access to state government AA/EEO programs. They do this by conducting public state agency monitoring and evaluation hearings that assure agency compliance with state AA policies and procedures. The AAC also advises DER's Division of Affirmative Action in setting State AA policy and minimum standards and providing support in recommending AA/EEO related legislation.

The state agencies like any service organization need to know from its citizen accessible groups, what they believe is expected and needed. It is important that government allow avenues for such public review of governmental entities. This is one method of ensuring that the state bureaucracy is in touch with the our citizen customer's needs and that we incorporate an external perspective to how we operate in state government.

Currently, discrimination and harassment claims against the State of Wisconsin has risen from under \$500,000 in 1992 to almost 3.5 million in 1997. At this time it is imperative that we increase the collaboration among the various AA/EEO componets to ensure that we make significant progress in ensuring a harassment free, equal employment opportunity environment in state government and the state of Wisconsin. Elimination of the Affirmative Action Council would deminish our capacity and effectiveness in doing so.

State Of Wisconsin
Affirmative Action Officers

AAC INFLUENCE



AAC

DAA

AAO

Chair

David B. Fish
Chippewa Falls

Chair-Elect

Mark V. Knight
Milwaukee

Immediate Past Chair

Daniel J. Hymans
Ashland

President/CEO

Robert C. Taylor



Wisconsin Health &
Hospital Association, Inc.

5721 Odana Road
Madison, WI
53719-1289

608/274-1820

FAX: 608/274-8554

<http://www.wha.org>

Statement To Joint Finance Committee
By Gregory Britton, President and CEO, Beloit Memorial Hospital
Wednesday, April 16, 1997

Repeal of Hospital Bed Moratorium

My name is Gregory Britton. I am president and CEO of Beloit Memorial Hospital. I thank you for the opportunity to come before this committee today.

I am here as a member of the Council on Public Policy of the Wisconsin Health and Hospital Association. WHA is a trade association representing more than 140 hospitals and health systems located throughout Wisconsin.

I wish to express our strong support for the budget provision to repeal the remaining portions of Chapter 150 relating to the cap on hospitals beds and restrictions on transfer or creation of hospitals beds.

As a member of a WHA task force which looked at this issue back in 1995, I concur with the association's position that these provisions are outdated and are no longer needed to control hospital growth. They only serve to limit the flexibility of hospitals to make our health care delivery system more efficient and more accessible.

Specifically, this budget provision would delete the four remaining hospital bed moratorium provisions in the statutes. (The rest of these requirements were allowed to sunset effective July 1, 1996.)

First, it repeals a requirement that the Department of Health and Family Services (DHFS) not approve hospitals beds in excess of a statewide cap of 22,516.

- WHA supports repealing this provision because it is unnecessary and irrelevant. As of June 1996, there were only 21,960 approved beds. That is 556 beds below the cap. And the number of beds available under the cap has continued to grow over last few years as a result of hospital closings, the shift from inpatient to outpatient services and other market forces which make this requirement meaningless.

Second, it repeals current law which prohibits transfer of approved beds between hospitals within a system.

- WHA supports repealing this provision because the movement of beds within a system gives flexibility to meet patient needs without adding new beds. Given the fact that systems can make care more accessible, it makes no sense to limit the movement of beds.

Third, it repeals current law which prohibits expansion of the number of the approved beds in a given facility.

- WHA supports repeal of this provision because it makes little sense in light of the fact that the law already allows for construction of new hospitals, but limits expansion of existing ones.

Fourth, it repeals current law prohibiting expansion of psychiatric or AODA hospitals or construction of new ones.

- WHA supports repeal of this provision because market forces, not legislation, has already brought about significant reductions in the number of inpatient psychiatric beds.

These provisions relating to the hospital bed moratorium were created as part of earlier efforts to regulate hospitals costs by limiting construction and capital expenditures. The other facet of that legislation was the Cost Containment Commission. As part of the 1995-96 budget bill, the legislature eliminated the Commission and its related statutes because they recognized that the growth of managed care and other market factors were effectively working to curb unnecessary expansion.

WHA urged this committee and the legislature to repeal the bed moratorium statutes as the last vestiges of an outdated law.

Thank you for your attention to this matter.

State Employees Council/WFT/AFT/AFL-CIO

1334 Applegate Road

Madison, WI 53713

(608) 277-7700 (800) 362-7390

STATEMENT BY KEN OLSON TO THE JOINT COMMITTEE ON FINANCE

April 16, 1997

I am Ken Olson, Chair of the State Employee Council of the Wisconsin Federation of Teachers. I have been employed as a forensic scientist with the Department of Justice for 17 years.

The WFT State Employee Council represents the interests of nearly six thousand professional state employees who make it possible for state government to function. We provide essential high-level professional services in literally every agency in state government and on every University of Wisconsin System campus. We are computer programmers, systems analysts and network administrators; forensic scientists; veterinarians, doctors and dentists; auditors; statistical and research analysts; bank examiners; special agents; and many, many more classifications.

We come here today because we have pride in the civil service. We believe in giving something back to the communities in which we live and work. In good times and in times of crisis we have always been there for the people of Wisconsin. We are dedicated to public service and are proud of the solid reputation of Wisconsin's professional state employees.

We have repeatedly proven our efficiency and effectiveness. In fact, Wisconsin ranks 46th out of fifty states in the number of state employees per capita. In recent years we have continued to do more with less resources. Despite less funding, increasing responsibilities and a shrinking state employee work force, we continue to provide the high quality services that Wisconsin citizens deserve and have learned to expect.

Despite our unquestioned accomplishments, however, we have learned that our political leaders are among those least likely to recognize our contribution and accord us respect. At the same time that our jobs have become more difficult and demands for our services have increased, an increasingly hostile political environment has put us constantly on the defensive, forced to fight for respect, decent pay and - in too many cases - our careers.

Some of our political leaders curry public favor by attacking anonymous government "bureaucrats". One top political leader recently referred to our hard-working members at the Department of Public Instruction as "educrats". Too often we are chastised for implementing the very laws and policies that are established in the Legislature and in the Governor's office. We are deeply offended by these attacks on us and on our work.

We are very concerned that recent years have begun a dangerous trend of eroding the state employee workforce, and, therefore, the effectiveness and efficiency of the state government. The negative political environment we work under has had several significant results that will lead to disaster if this trend continues.

- ▶ **A reduction in real wages for state employees.** In recent years, while the Wisconsin economy has grown and personal incomes in the state have grown by 6.2% from 1994 to 1995, state employees have failed to keep pace with even today's modest rate of inflation. In the 1995-97 biennium the administration held the line in our bargaining sessions at 1 and 2 percent for the two years. The Governor's current budget proposal for the next two years again assumes yet another meager wage adjustment for state employees.
- ▶ **Failure to pay market rates for professional positions.** The WFT State Employees Council represents most of the professional employees in state service. In too many

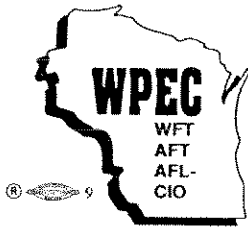
classifications, the pay range assigned is woefully inadequate to compensate our members for the high-level professional work they perform. Although the market rates for these classifications are well-established and mostly non-controversial, the state refuses to make the adjustments necessary to recruit and retain qualified candidates. When a market disparity is admitted by the state, it is expected that any market adjustment come out of our compensation package, making it even less likely that all of our members will be adequately compensated. The compensation reserve as reflected in the Governor's budget is entirely inadequate to deal with market rate issues and cost of living issues.

- ▶ **Contracting Out and Privatization.** This administration has an unabated and irrational bias to contract out the work of the state, work that has always been done well by state employees, to the detriment of not only the state employees but the state taxpayers. This can be seen most clearly in the information technology area. Not only has the Governor chosen not to create adequate numbers of state employee positions to do this important work; the administration has also failed in its statutory duty to keep the information technology classifications up to date and at market rates. As a result, the state is unnecessarily contracting computer work for as much as \$125 an hour that can and should be done by state employees. We have reviewed the agency budgets as proposed by the Governor and found that there is at least \$64 million budgeted for information technology services and hardware, with only about 11 FTE positions provided to do that work. That is a lot of expensive, unnecessary spending on private contractors.

These and other factors have lead to an erosion in the state workforce. We are losing quality employees to the private sector. Those of us still here are swamped by ever-increasing workloads.

Our morale as employees is affected by our deteriorating working conditions and because we are a constant target of those who would use us as a political football and who mistakenly think the quality of the Wisconsin state government will somehow survive this era of neglect and attack

We can no longer accept such indifference from our employer. We can no longer accept such disrespect for our work. We say this not out of arrogance. We are in no position to be arrogant. We say this not out of a lack of respect for the members of the legislature. We say this out of self respect and pride in our work. Accordingly, we ask that this Committee carefully review the proposed budget as it relates to state employee wages, contracting out and adequate staffing levels. We ask that this committee adjust the budget to accord us the respect we have earned and to adequately provide quality services to Wisconsin taxpayers.



WISCONSIN PROFESSIONAL EMPLOYEES COUNCIL • LOCAL 4848
1334 APPLEGATE ROAD • MADISON, WI 53713 • 608-277-7700 • 800-362-7390
Fair pay and a fair say: Stand up for what professionals deserve!

Testimony of Mike Plaisted
WFT Staff Representative for
the Wisconsin Professional Employees Council (WPEC)
Local 4848, WFT/AFT/AFL-CIO

Joint Finance Committee — April 16, 1997

Subject: The Wisconsin Lottery

My name is Mike Plaisted. I am a Staff Representative for the Wisconsin Federation of Teachers. For the past five years, I have worked almost exclusively for WFT's largest local, the Wisconsin Professional Employees Council (WPEC). WPEC represents over 3900 professional state employees in every state agency and University system campus.

Among our members are a small but dedicated group of marketing professionals who, from 1988 until last year, represented the Wisconsin Lottery to its retail outlets throughout the state. Our members had regular routes of stores large and small at which they would make sure the needs of the retailers were met, introduced new games, performed important security functions regarding the tickets and delivered the tickets to the outlets.

Our members have watched in horror as Lottery administrators closed offices, conducted layoffs and shuffled them off to other positions in the Department of Revenue. The last two office were closed last year in anticipation of total privatization of the Lottery. Now, with the failure of the attempt to privatize because - predictably - the bid from the single bidder could not be justified, no one has been doing this important work for almost an entire year.

The results of the Lottery's mistake of jettisoning our members have been predictable and disastrous for the success of the Lottery. The number of retailers have dropped from 5000 to 4200. The Department of Revenue now estimates that Lottery proceeds will fall as much as 20% this year. The recent Legislative Audit Bureau report agrees that the dramatic fall-off in Lottery sales is directly related to the elimination of the state employee sales marketing force.

The Audit Bureau report has led some in the legislature to attempt to kill the Lottery altogether. We are taking no position on that effort. However, if Wisconsin is to have a Lottery, it is our position that the Lottery must be operated by the state and that work must be done by state employees.

Our position is that the Lottery can become more successful within the structure of the Governor's budget proposal currently before you. The budget, which eliminates 31.5 positions but retains 92.5 positions for all lottery operations, actually leaves room for staffing a reconstructed state employee retailer support function. According to a report by the Legislative Fiscal Bureau, 32 of the positions are allocated for "marketing and retailer relations". At least half of those positions could and should be used to resurrect the retailer support function. Our members should be allowed to return to those positions if they want to and their responsibilities should be enhanced to make full use of their skills as marketing experts.

It also appears that another change in the Lottery is necessary. Through the years since the creation of the Lottery Board, the Lottery has moved to the Gaming Commission and finally, last year, to the Department of Revenue as a separate division. During all of that time, the same core of administrators have stayed with the Lottery and are still there today. These are the same administrators who have presided over a Lottery on a downward spiral when the national trend

for Lottery sales is up. These are the same administrators that allowed the sales marketing force to be decimated and eliminated irresponsibly, before a structure was in place to perform this vital function. This is the same group who have allowed the Lottery to limp along with a skeleton staff for the past year. These are the administrators who have failed Wisconsin taxpayers by mismanaging the Wisconsin Lottery. The Lottery needs new blood and a complete change in its leadership to be successful.

The Governor's budget provides the resources for the Lottery to be successful. However, the status quo must change. Our members stand ready to return to the Lottery and to work, as they always have, toward a successful future and increased property tax relief.

ATTACHMENT 4

University of Wisconsin Comparison of CPI to Faculty Salary

	<u>CPI</u>	<u>WISCONSIN PERSONAL INCOME</u>	<u>PAY PLAN EXCLUDING CATCH-UP</u>	<u>PAY PLAN INCLUDING CATCH-UP</u>		
				<u>MSN</u>	<u>MILW</u>	<u>COMPS</u>
1987-88	4.1%	6.1%	2.10%	2.10%	2.10%	2.10%
1988-89	4.6%	7.4%	2.00%	2.00%	2.00%	2.00%
1989-90	4.8%	6.2%	3.75%	11.26%	10.55%	10.67%
1990-91	5.5%	4.3%	4.25%	4.25%	4.25%	4.25%
1991-92	3.2%	7.2%	1.27%	1.27%	1.27%	1.27%
1992-93	3.1%	4.8%	4.25%	4.25%	4.25%	4.25%
1993-94	2.6%	5.6%	2.00%	2.00%	2.00%	2.00%
1994-95	2.9%	6.1%	5.00%	5.00%	5.00%	5.00%
1995-96	2.7%	4.9%	1.00%	1.00%	1.00%	1.00%
1996-97*	3.0%	4.8%	2.00%	2.00%	2.00%	2.00%
10-Yr. Avg.	3.7%	5.7%	2.8%	3.5%	3.4%	3.5%

*PROJECTED BY DRI IN NOVEMBER 1996.

**WISCONSIN DEPARTMENT OF REVENUE AND WISCONSIN ECONOMIC OUTLOOK, 10/96

CPISAL1.xls/rjh/11-18-96

UW System

1997-99 Budget Request - Allied Health DIN

\$2.2M to Fund 27 Occupational and Physical Therapy Faculty Positions at

UW-La Crosse and UW-Milwaukee

Physical therapists treat human movement dysfunction through specialized physical regimes, while occupational therapists treat people by using specific occupational activities to help patients realize their full potential in daily living needs. There is a severe shortage of physical and occupational therapists in Wisconsin and in many other regions of the country.

The demand for Physical Therapists:

- ▶ 88% (79,000 jobs) increase nationwide in physical therapy positions from 1992-2005.
- ▶ 58% (2,455 jobs) growth in Wisconsin by 2005.

The demand for Occupational Therapists:

- ▶ 22% vacancy rate nationwide with a projected 50% vacancy rate by 2000.
- ▶ 55% (1,628 jobs) growth projected in Wisconsin by 2005.

Since the early 1970s, UWL and UWM have offered baccalaureate physical therapy and occupational therapy programs, respectively, as part of their array of allied health offerings. In 1992, the Rural and Urban Health Underservice Task Force asked the UW System to determine effective ways to increase the number of allied health professionals in occupations with shortages. As a result, the UW System undertook a Lateral Audit of its Allied Health Programs. Among the recommendations made by the consultants for this Lateral Audit were the following:

- ▶ Increase the number of UW physical therapy graduates by 33%.
- ▶ Expand existing UW occupational therapy programs or establish new ones.
- ▶ Program expansion or new program development should occur at UWL and/or UWM.

In response to the recommendations of the Lateral Audit of Allied Health Programs, and consistent with their individual strategic plans, UWL and UWM have internally reallocated \$650,000 and \$250,000, respectively, to expand their allied health programs by:

- ▶ Implementing a new Occupational Therapy MS at UWM;
- ▶ Implementing a new Physical Therapy MS at UWL;
- ▶ Implementing a new Physician Assistant BS at UWL;
- ▶ Receiving Entitlement for an Occupational Therapy BS, and a \$303,000 DHHS Implementation Grant at UWL;
- ▶ Receiving Authorization to Plan a Physical Therapy MS at UWM.

The 1997-99 UW System Budget Request Allied Health DIN will provide funds to support:

- ▶ Nine (9) P-T faculty at UWM resulting a program which will graduate 50 students/year.
- ▶ Seven (7) O-T faculty at UWL resulting in a program which will graduate 24 students/year.
- ▶ Four (4) O-T faculty at UWM to expand its program by 27 students/year (from 62 to 89).
- ▶ Seven (7) P-T faculty at UWL to expand its program by 20 students/year (from 30 to 50).